

**Capital:** Pristina  
**Population:** 1.9 million (2002)  
**Population Below National Poverty Line:** 50.3%  
**GDP(current U.S.\$):** \$1.895 billion (2001)  
**Population below national poverty line (1999) :** 12%  
**GDP per capita (current U.S.\$):** \$946 (2001)  
**GDP per capita (purchasing power parity):** N/A  
**Religion:** Muslim, Serb Orthodox, Roman Catholic, and others  
**Language:** 88% Albanian, 6% Serbian  
**President:** Ibrahim Rugova  
**Prime Minister:** Bajram Rexhepi  
**Government:** Kosovo is administered by United Nations Interim Administration Mission in Kosovo (UNMIK), Special Representative of the Secretary General (SRSG), Harri Holkeri, in cooperation with local Provisional Institutions of Self-Government established in 2002



**National Interest:** Kosovo is important to U.S. national security and foreign policy interests. The U.S. Government is committed to support U.N. Security Council Resolution 1244, which calls for “substantial autonomy and meaningful self-determination for Kosovo.” Within this mandate, the U.S. interest is to aid in the creation of a secure, well-functioning, multi-ethnic society with an open and free market economy, a system of justice that is impartially administered, and opportunities for people to make informed choices and participate in their own social and economic recovery. Since 1999, the Kosovo province has been under the management of the United Nations Mission in Kosovo (UNMIK) under the direction of a Special Representative of the Secretary General (SRSG) of the United Nations. There are 3,500 U.S. troops in Kosovo as part of NATO’s Kosovo Force (KFOR).

### OVERVIEW OF USAID'S FOCUS IN KOSOVO

**Private Enterprise Growth:** Provides assistance and support for an economic reform program aimed at stimulating a private sector-led economy by promoting reforms in fiscal and monetary policy, financial markets, commercial law, and privatization. USAID also supports business and enterprise development and financial intermediation programs aimed at generating income and employment. Special emphasis is placed on the agricultural sector.

**Democratic Transition:** Assistance is directed toward the development of a functional democracy, providing support for political party development and the strengthening of a Kosovo legislative assembly. Civic organizations are strengthened through programs that improve their ability to advocate the government for policy changes; legal and judicial reform is supported through judicial training and the development of legal associations, law school curricula, and legal aid clinics. The creation of independent media is also a primary focus of assistance.

**Community Services and Facilities:** Includes activities that support the economic and social recovery at the community level through infrastructure rehabilitation, restoration of essential services, and community development. Communities and municipal governments are involved in the identification, design, implementation and sustainability of the infrastructure activities undertaken, thereby contributing to the dual program emphases of institutional strengthening and community infrastructure rehabilitation.

**Special Initiatives and Program Support:** Special initiatives are implemented in the areas of health and women’s leadership training. Program support costs include strategy development and program design, monitoring, and evaluation.

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**Hot Issues:**

- **UNSCR 1244 Final Status:** Kosovo's democratic and economic transition is complicated by its unresolved status under the UN Resolution: independent or part of the Republic of Serbia. "Standards before status" is the rallying call of the international community. However, the international community may be pushed to discuss status before standards are met given the drastic decrease in donor assistance. In addition, the recent assassination of the Serbian Prime Minister does not ease tensions between Belgrade and Pristina.
- **Interethnic Relations:** There are outstanding issues regarding security and the property rights of returnees that have not been fully resolved. In addition, with unemployment estimates of 30-40%, there are limited opportunities for those who actually return. Poor information dissemination to displaced communities has also impeded efforts to consolidate return initiatives. There are over 150,000 internally displaced Kosovar Serbs in Serbia as well as numerous Serbs who live in enclaves throughout the province, the largest numbers are in Mitrovica, in northern Kosovo.
- **International Criminal Tribunal for the former Yugoslavia (ICTY):** The recent ICTY indictments for the arrest of seven Kosovo Albanians signals a beginning of a new relationship with the international community. Kosovar Albanians as well as Serbs and Kosovar Serbs will be held accountable for actions committed during the Kosovo Crisis of 1999.
- **Trade:** The SRSB has the power to enter trade agreements and has done so with Albania. However, most other countries in the region have free-trade agreements with Serbia and Montenegro (SCG), but will not negotiate a separate one with Kosovo concerned that it would send a message on 'final status' and recognize Kosovo's sovereignty. Goods originating in those countries can enter Kosovo in accordance with the SCG agreement (payment of a 1% administrative fee). However, because Kosovo ships goods using the UNMIK origin certificate, the other countries do not always respect the agreement as regards Kosovo (because the agreements are actually with Serbia and Montenegro). This often leads to high tariffs and other non-tariff barriers to Kosovar goods being exported to the region.